

State of California
BOARD OF EQUALIZATION

TRANSACTIONS (SALES) AND USE TAX REGULATIONS

Regulation 1821. FOREWORD.

Reference: Sections 7251 - 7273, inclusive, Revenue and Taxation Code.

Transactions (sales) and use taxes imposed by certain special taxing districts are administered by the State Board of Equalization. These taxes incorporate most of the provisions of the state Sales and Use Tax Law and generally have the same tax base as the Bradley-Burns uniform local sales and use taxes adopted in accordance with the provisions of Part 1.5 of Division 2 of the Revenue and Taxation Code.

The primary differences between the transactions (sales) and use taxes and the state and Bradley-Burns uniform local sales and use taxes are:

(1) The transactions (sales) tax of a district is not applicable to the gross receipts from the sale or lease of tangible personal property which the seller or the lessor is obligated to furnish for a fixed price pursuant to a contract entered into prior to the operative date of the district transactions (sales) and use taxes ordinance.

(2) The transactions (sales) tax does not apply to gross receipts from the sale of property to be used outside the district when the property is shipped to a point outside the district, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. If thereafter the purchaser brings the property into the district for use there and uses it there, the district use tax may apply and the purchaser may be required to pay that tax.

(3) The use tax of a district is not applicable to the storage, use or other consumption in the district of tangible personal property which the purchaser or lessee is obligated to purchase or lease for a fixed price pursuant to a contract or lease entered into prior to the operative date of the district transactions (sales) and use tax ordinance.

(4) The district use tax must be collected by retailers engaged in business in the district and paid to the board when the retailer ships or delivers the property sold into the district or participates within the district in making the sale. The state and Bradley-Burns uniform local use tax must be collected by retailers engaged in business in this state.

(5) Beginning January 1, 1988, retailers of vehicles, aircraft, or undocumented vessels described in paragraph (c) (4) of Regulation 1827 (18 CCR 1827) are engaged in business in a district imposing a state-administered transactions use tax and are required to collect the use tax from the purchaser and pay it to the board when such vehicles, aircraft or undocumented vessels are registered or licensed in that district.

The district use tax applies to the storage, use or other consumption in the district of tangible personal property purchased after the operative date of the ordinance for storage, use or other consumption in the district.

History: Adopted January 6, 1970, effective February 25, 1970.

Amended March 9, 1970, effective March 10, 1970.

Amended December 12, 1973, effective January 18, 1974.

Amended June 22, 1976, effective July 25, 1976.

Amended December 6, 1978, effective January 28, 1979. Adopts Section (b) (3) which adds Santa Cruz Metropolitan Transit District to the transit district imposing the transactions and use tax.

Amended July 27, 1983, effective November 13, 1983. Deleted "(a) In General" and subdivision (b).

Amendments adopted June 5, 1991, effective August 11, 1991. Amended the first paragraph to make clear that the Transactions (Sales) and Use Tax Law is not imposed only for transit purposes. Added paragraph (5) to explain the primary differences between the transactions and use taxes and the state and the Bradley-Burns Uniform Local sales and use taxes.

Regulations are issued by the State Board of Equalization to implement, interpret or make specific provisions of the California Sales and Use Tax Law and to aid in the administration and enforcement of that law. If you are in doubt about how the Sales and Use Tax Law applies to your specific activity or transaction, you should write the nearest State Board of Equalization office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe the facts and circumstances of the activity or transaction.